

**Introduced by Senator Mountjoy**

December 2, 1996

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An act to amend Section 6018 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 13, as introduced, Mountjoy. Sales and use taxes: exemptions: contact lenses.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax, including a partial exemption for ophthalmic materials used or furnished by a licensed optometrist, physician and surgeon, or registered dispensing optician, in the case of specified materials.

This bill would additionally provide a partial exemption for replacement contact lenses dispensed by a licensed pharmacist, as specified.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemption from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provided that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made

and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6018 of the Revenue and  
2 Taxation Code is amended to read:

3 6018. A licensed optometrist, physician and surgeon,  
4 *pharmacist*, or registered dispensing optician is a  
5 consumer of and shall not be considered a retailer within  
6 the provisions of this part ~~in~~ *as follows*:

7 (a) *In the case of a licensed optometrist or physician*  
8 *and surgeon with respect to the ophthalmic materials*  
9 *used or furnished by him or her, in the performance of his*  
10 *or her professional services in the diagnosis, treatment or*  
11 *correction of conditions of the human eye, including the*  
12 *adaptation of lenses or frames for the aid thereof,* ~~or in.~~

13 (b) *In the case of a licensed pharmacist only with*  
14 *respect to replacement contact lenses dispensed*  
15 *pursuant to Section 4123 of the Business and Professions*  
16 *Code.*

17 (c) *In the case of a registered dispensing optician with*  
18 *respect to the dispensing of ophthalmic materials.*

19 SEC. 2. Notwithstanding Section 2230 of the Revenue  
20 and Taxation Code, no appropriation is made by this act  
21 and the state shall not reimburse any local agency for any  
22 sales and use tax revenues lost by it under this act.

23 SEC. 3. This act provides for a tax levy within the  
24 meaning of Article IV of the California Constitution and  
25 shall go into immediate effect.

